



***DRAFT WORKING  
PAPERS***

***Iraq Status***

This briefing is classified

**UNCLASSIFIED**

Derived from: Multiple Sources



# Highlights

## CPA Priorities:

- Essential Services
- Security
- Governance
- Economy
- Strategic Communications

## CPA Intermediate Objectives:

- Reconstitute electric power infrastructure
- Reconstruct the telecom system
- Assist drafting of "Transitional Administrative Law"
- Build financial market structures
- Increase professionalism of TV staff

## Weekly Highlights:

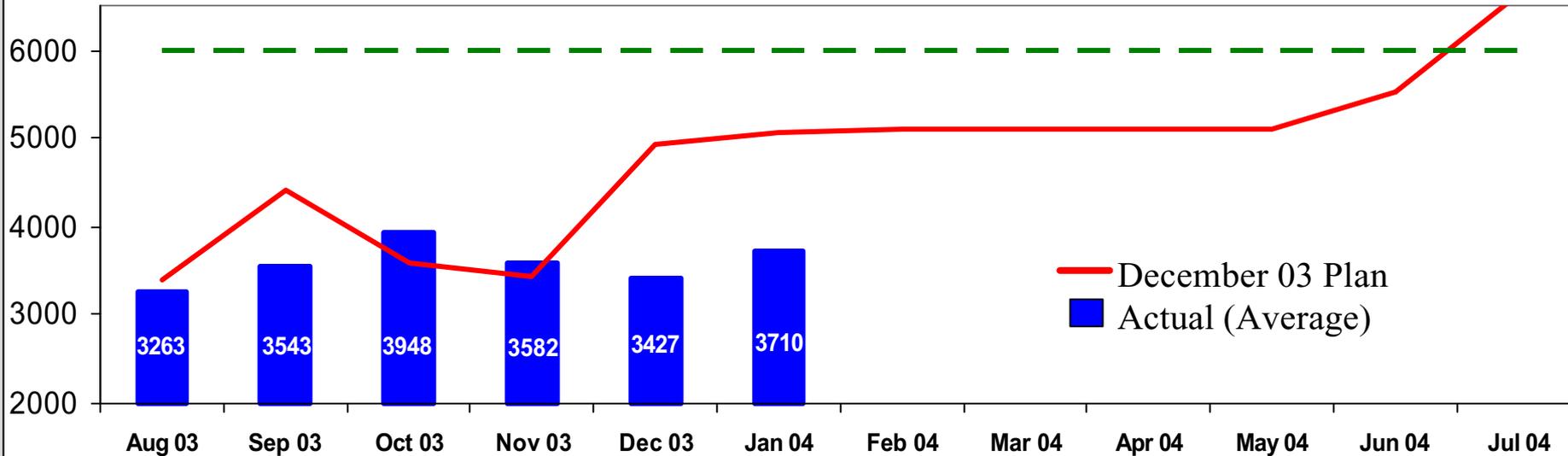
- CPA is developing a new increase plan to prevent current project delays from impacting the goal of 6000 MW by 01 Jun 04
- CPA Administrator expected to sign executive order to create FCC-like independent regulatory agency for telecommunications and broadcast media
- New Iraqi Dinar (NID) at \$1 = NID 1,675
- Award of \$100M contract to run national Iraqi newspaper and television delayed until after Jan 04



# Iraqi Electricity Overview

Goal 01 Oct : 4,400 MW  
Production and Transmission

Goal Summer 04: 6,000 MW  
Production and Transmission

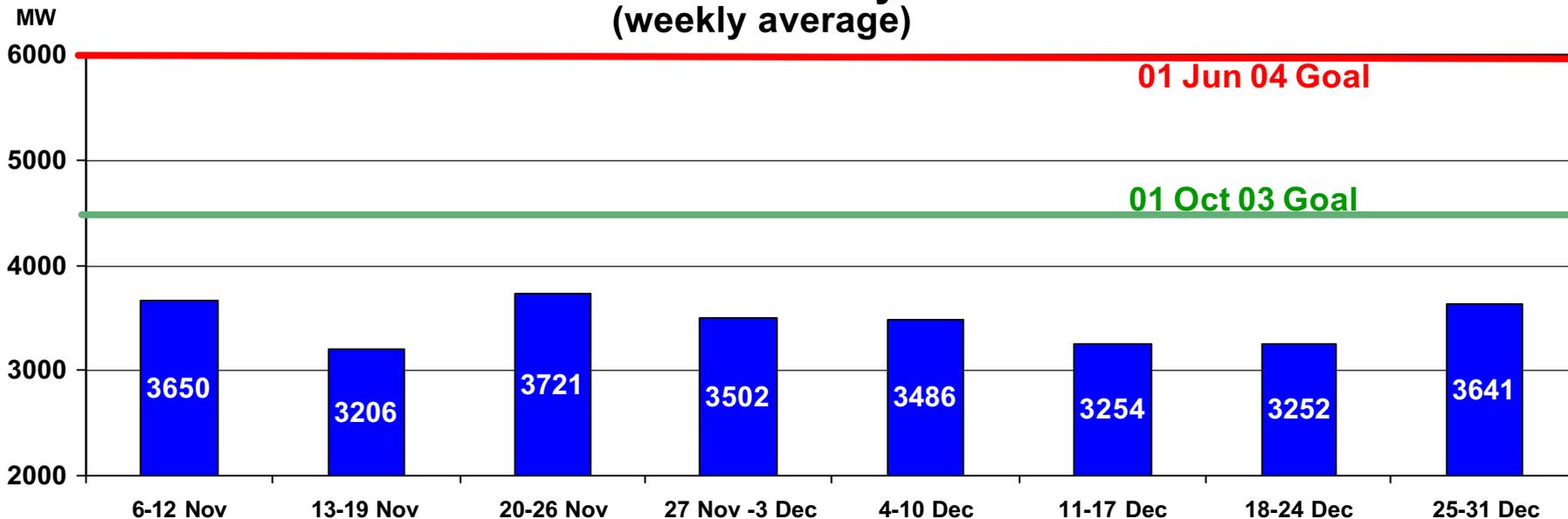


- CPA is developing a new increase plan to prevent current project delays from impacting the goal of 6,000 MW by 01 Jun 04; approved plan expected 9 Jan 04
- CPA Autumn Maintenance Program began Oct 03 and continues with about 1,000 MW currently in maintenance
- Over 300 MW was returned to service after scheduled maintenance and the 400 KV Line between Mosul and Baghdad was repaired

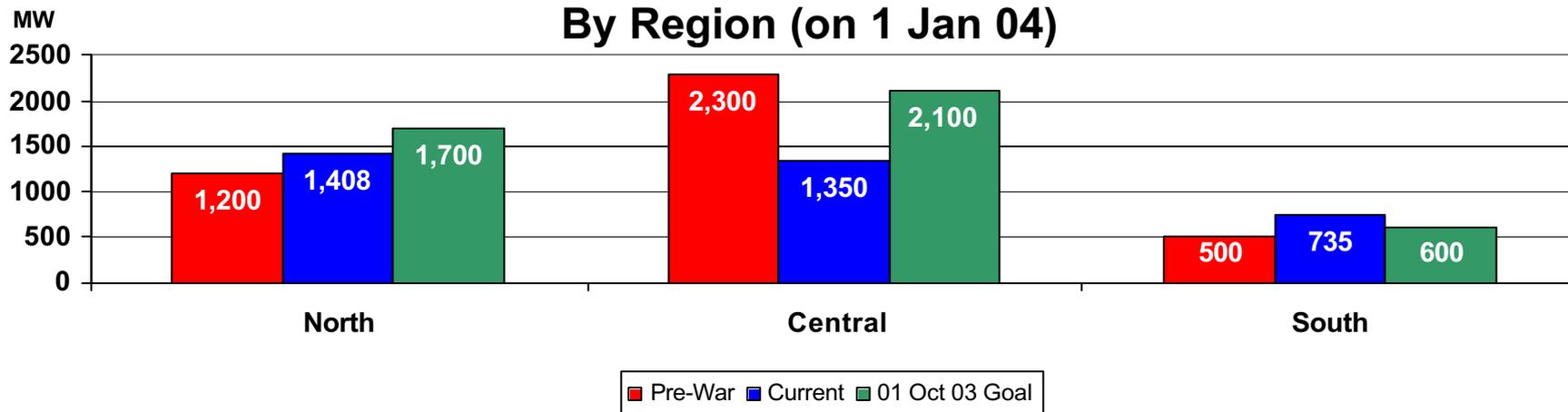


# Power Production

### Total Country (weekly average)

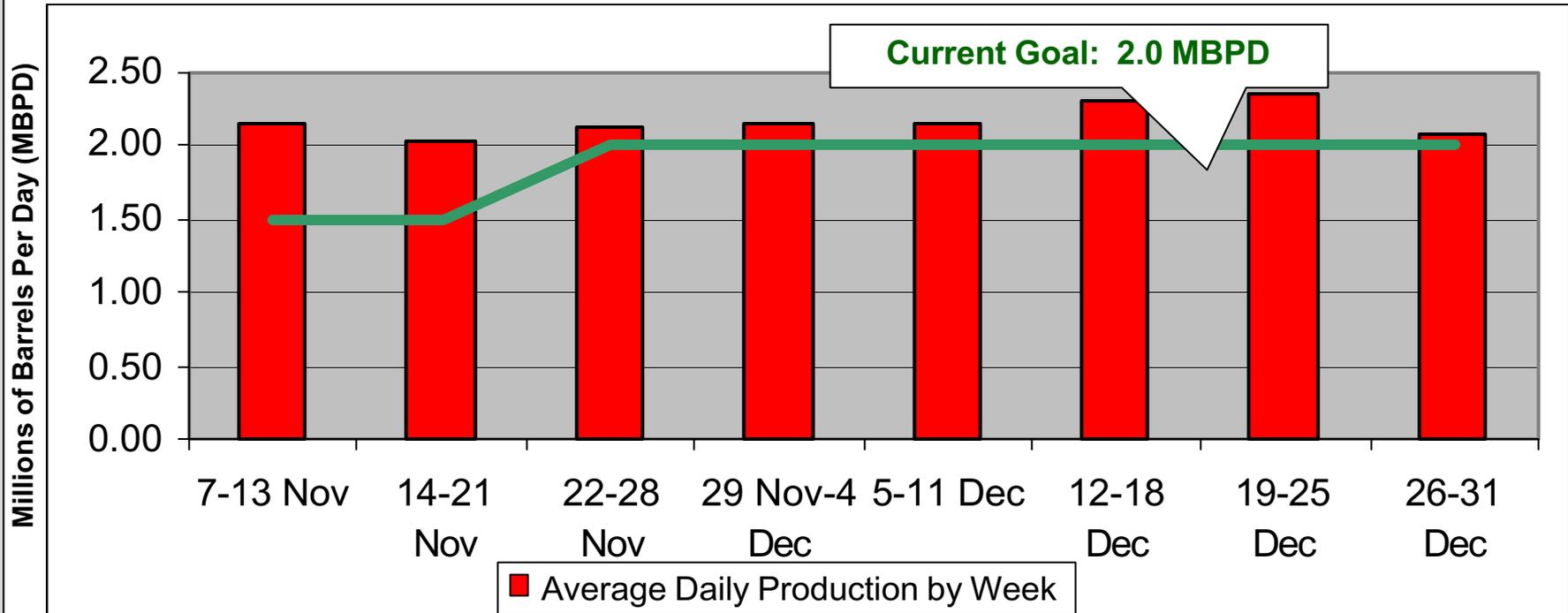


### By Region (on 1 Jan 04)





# Crude Oil Production



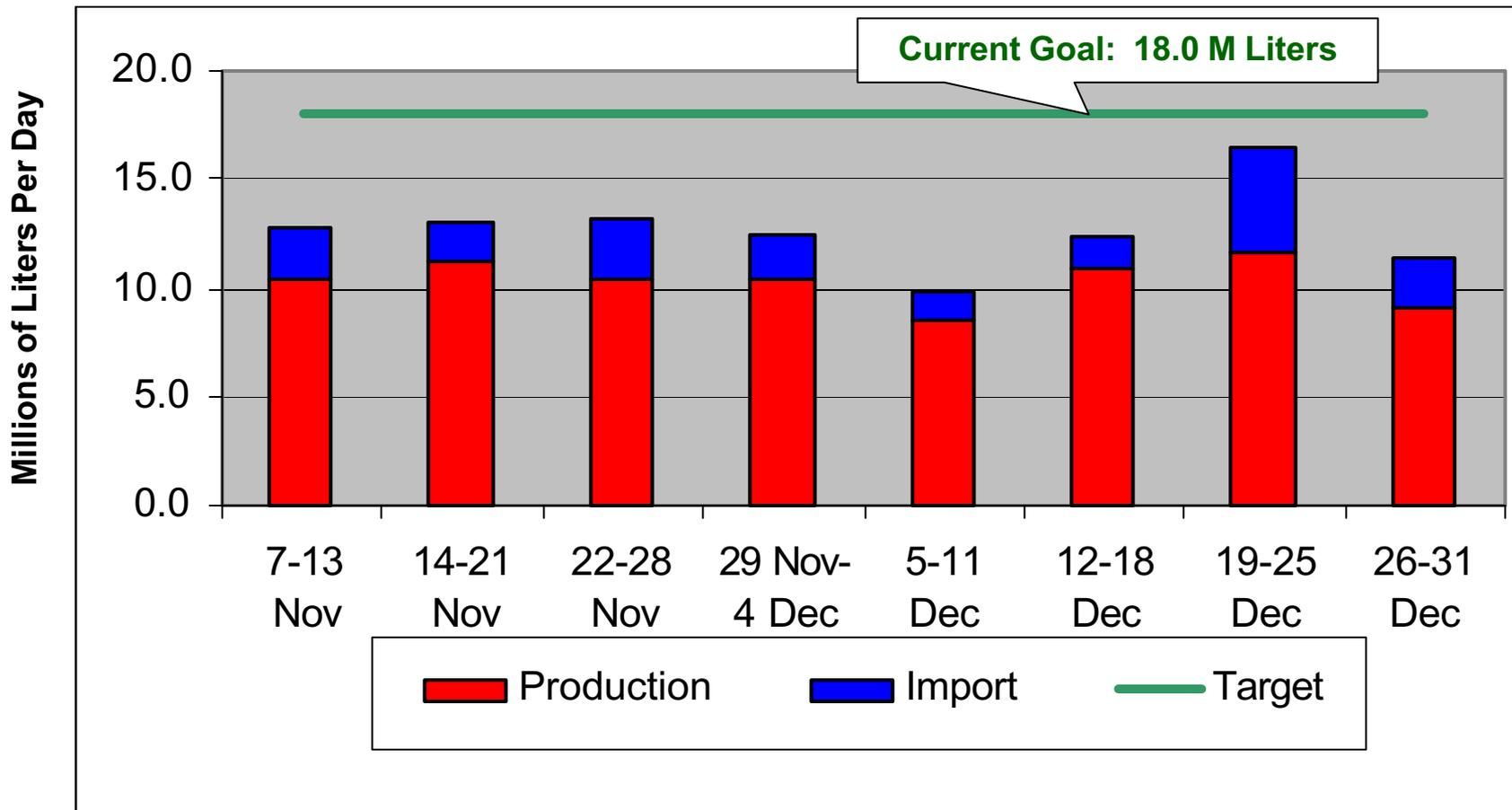
## WEEKLY AVERAGE OF 2.07 MBPD EXCEEDS TARGET OF 2.0 MBPD

- Long Term Target (Dec 04): 2.8-3.0 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Mar
- Post-war Peak: 2.395 MBPD on 30 Dec
- Weekly average of crude exports: 1.7 MBPD



# Diesel Production

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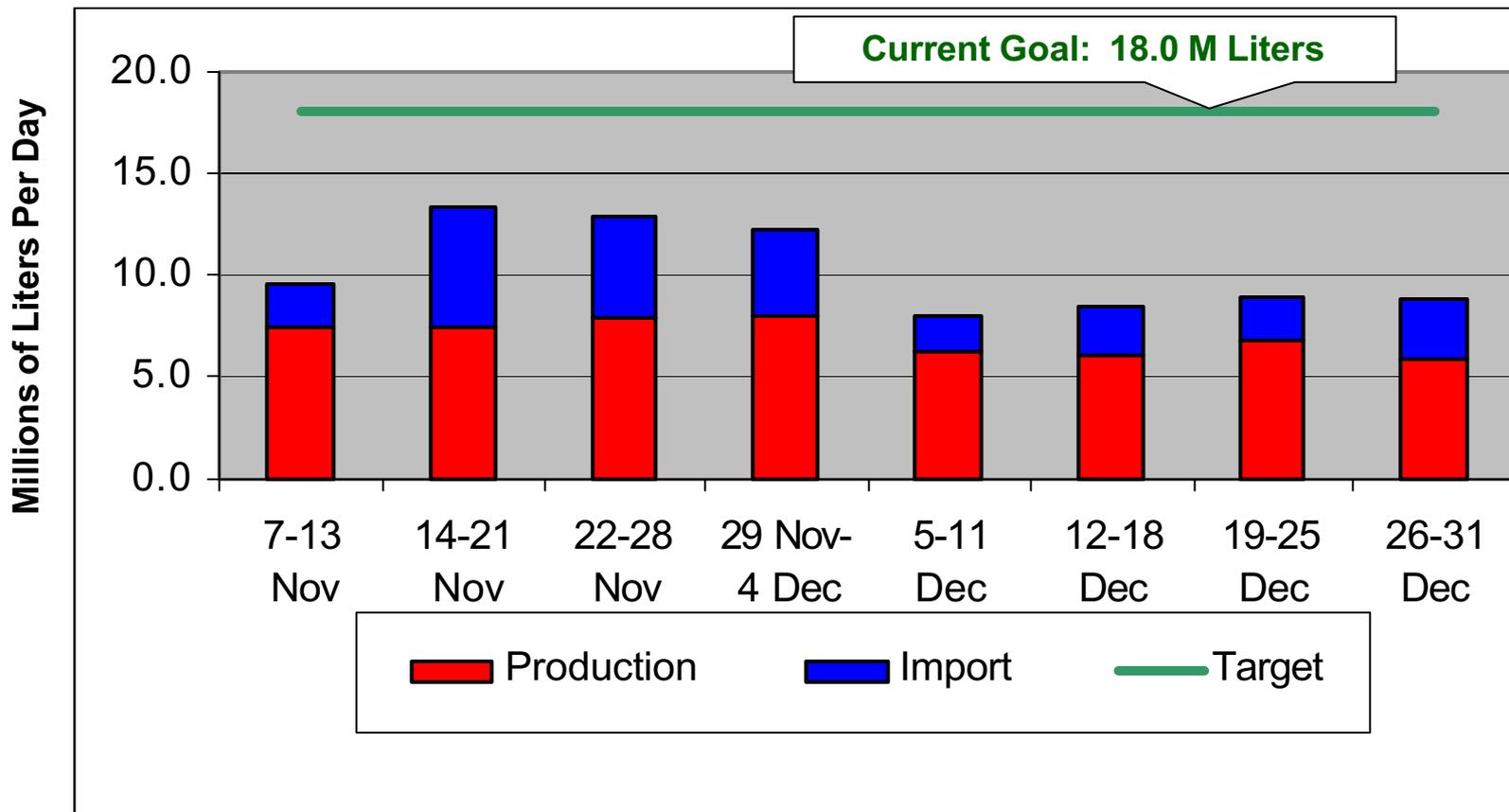


- This week's production and imports are 63% of goal



# Kerosene Production

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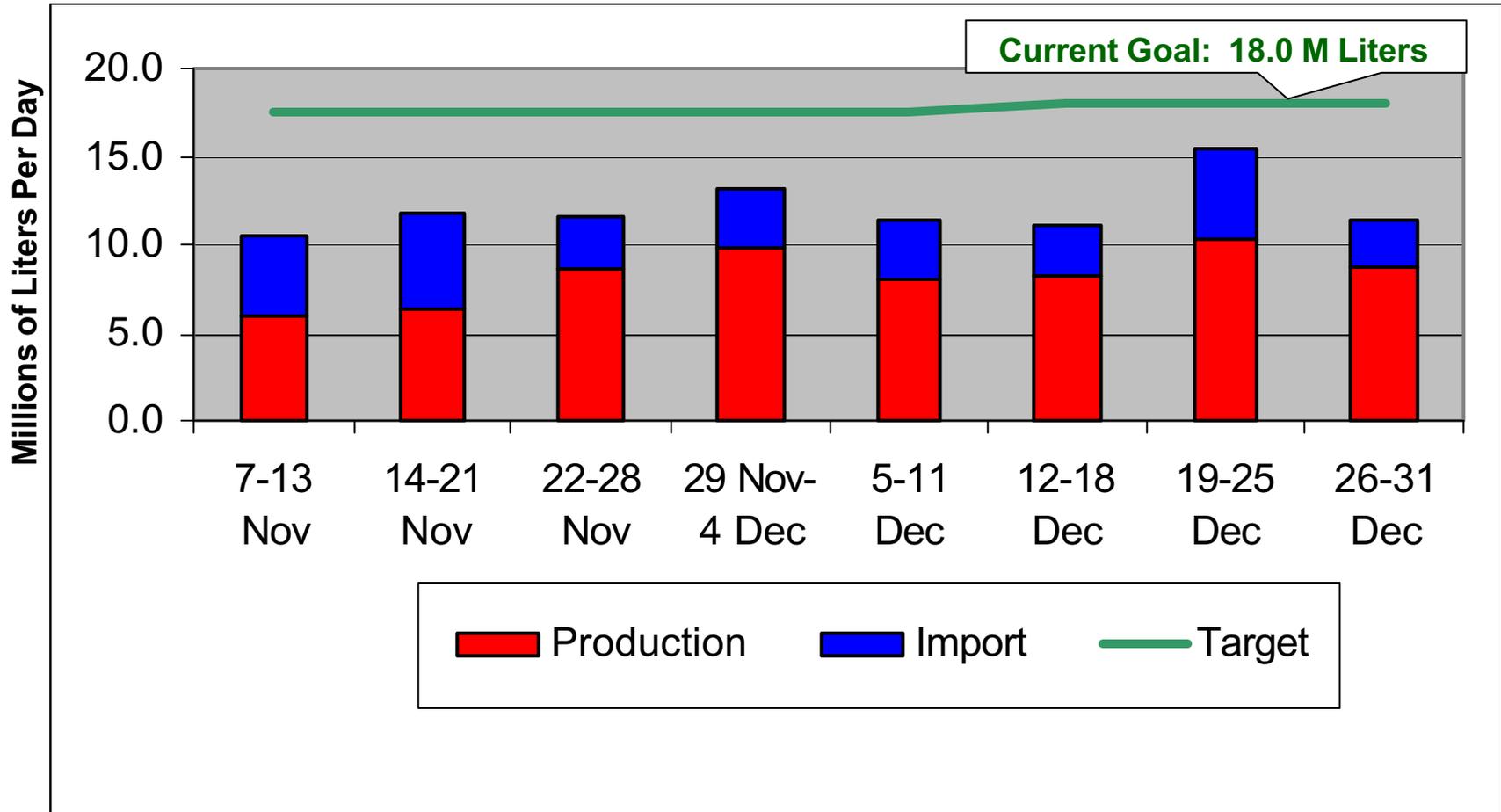


- This week's production and imports are 49% of goal



# Gasoline / Benzene Production

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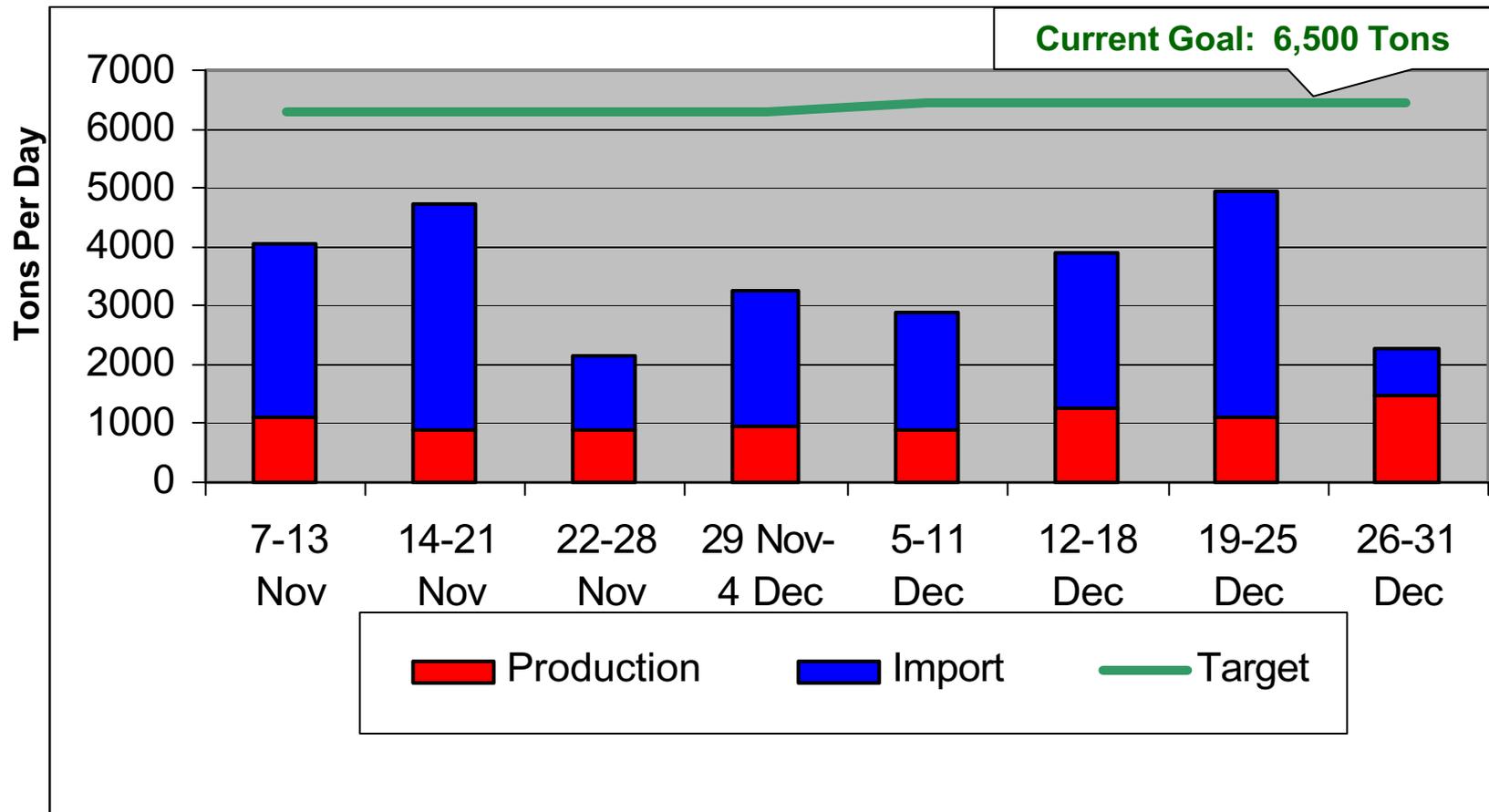


- This week's production and imports are 63% of goal



# Liquefied Petroleum Gas Production

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N/P



- This week's production and imports are 35% of goal

# Essential Services - Education



## Milestones:

- 72 million new textbooks will be distributed before end of school year
- 64,000 or more secondary teachers and 5,000 school principals and administrators will be trained in modern teaching methods

## Current Activities:

- Continue to build technical capacity of Minister of Education (MOE) : re-established Education Management Information System (EMIS)
- Training at Governorate levels continues from Nov 03 - Jan 04 for 33,000 secondary school teachers and 3,000 administration staff
- Rehabilitated 1,993 out of 11,939 schools damaged in some way
- 349 Grants worth \$5.2M were awarded for the rehabilitation of schools and director general offices throughout the country
- Representatives from US universities participating in the Iraq-US university partnership traveled to Iraq to meet with their counterparts
- MOE baseline school statistics: Gender Distribution

School Type	Male Student %	Female Student %
Primary	55.53%	44.47%
Secondary	59.72%	40.28%

# Essential Services - Healthcare



## Milestones:

- **Apr 04:** Electronic health surveillance program initiated
- **Jun 04:** Model health care clinics established emphasizing prevention and disease management
- **End 04:** 90% of all children receive routine immunizations
- **End 05:** Infant mortality rate reduced by half to 50 / 1,000

## Current Activities:

- **MOH/USAID working groups completed two-month analysis of critical health needs (public health, education and training, licensing and legislation)**
  - **Basis for National Strategic Health Plan and health sector reform**
- **Media campaign established to raise awareness of leishmaniasis, a parasitic disease which can cause sores, organ enlargement, and anemia**

## Facts about the New Iraqi Healthcare system:

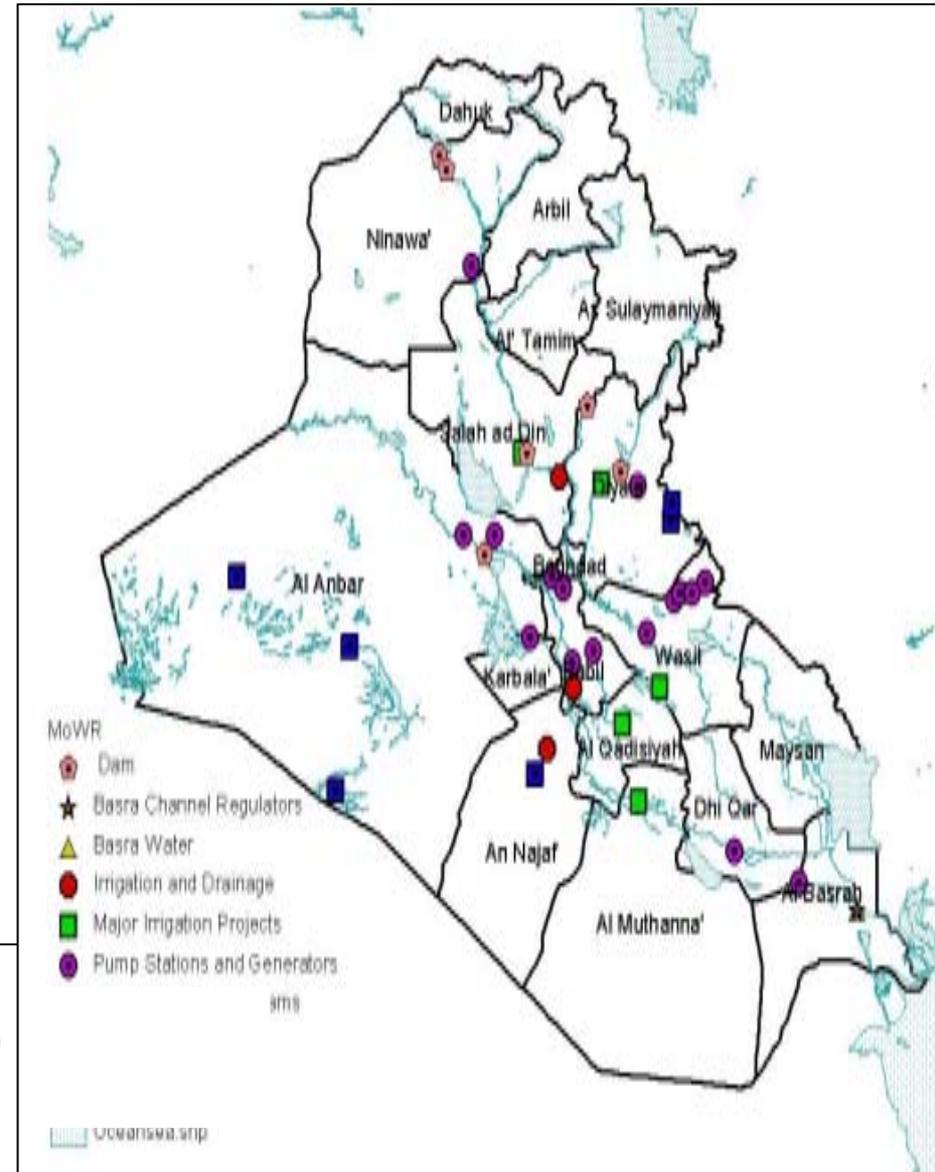
- **Iraq at pre-war capabilities for providing health care -- 240 Iraqi hospitals and more than 1,200 primary health clinics are operating**
- **MOH has 100,000 healthcare professionals / staff (over 80% women)**

# Essential Services - Water

- 60% of population has access to limited supplies of potable water
- Supplemental budget funds projects to improve both water potability and sewerage treatment to be completed within 3 years
- By July 1, 2004:
  - Water quality and quantity improved for 500,00 Iraqis in 15 governorates
  - Urgent supplies delivered to water treatment plants
  - Contracting completed and construction begun for major water facilities
- Sewerage projects expected to benefit approximately 900,00 Iraqis

## Water & Sewage Milestones

- Potable water access (75% Iraqis; Apr 05)
- Sewerage service (11% Iraqis; Mar 05)
- Reduce water loss (60% to 40%; Mar 04)



# Essential Services - Telecommunications

- Three companies will open cellular communications network early in 2004
  - Contracts awarded to companies from Egypt and Kuwait
- 42 cell sites are up in Baghdad in anticipation of license issue
  - 100,000 subscribers anticipated by end of Dec
- CPA and Ministry of Communications working on frequency allocations for public-safety band in Baghdad
- Iraq's current telecommunications network is antiquated
  - Much of switching and transmission equipment is obsolete and no longer supported by manufacturers
  - Negotiations ongoing with Japanese government for contributions of switching and transmission equipment, and Private Branch Exchanges
- Iraq also requires new switching and transport systems for wide-area voice and data traffic

## Telecommunications Milestones

July 1 metrics include:

- Increasing the number of voice subscriber lines by 25% from the present 1.2 million subscribers
- Doubling the amount of domestic and international mail delivered by 50%

# Essential Services - Transportation

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- **Iraqi Transportation Minister signed memorandum of understanding with Turkish counterpart to promote cooperation in transportation issues, including:**
  - **Construction of rail line connecting Nusaybin, Turkey & Mosul**
  - **Turkish Airlines scheduled flights between Istanbul and Baghdad**
- **110 km of road repaired in Mosul, creating 336 labor days for local laborers**
  - **Project will ultimately repair over 220 km of road within Mosul**
- **Governing Council Hajj policy committee preparing for Hajj in Jan/Feb 04**
  - **Plan for 25 flights carrying up to 5,000 passengers to Jeddah**
- **Anticipated completion date for the repair of the Tikrit Bridge has slipped to mid-May due to flooding and need for a new access road**



# Total Security Forces in Iraq

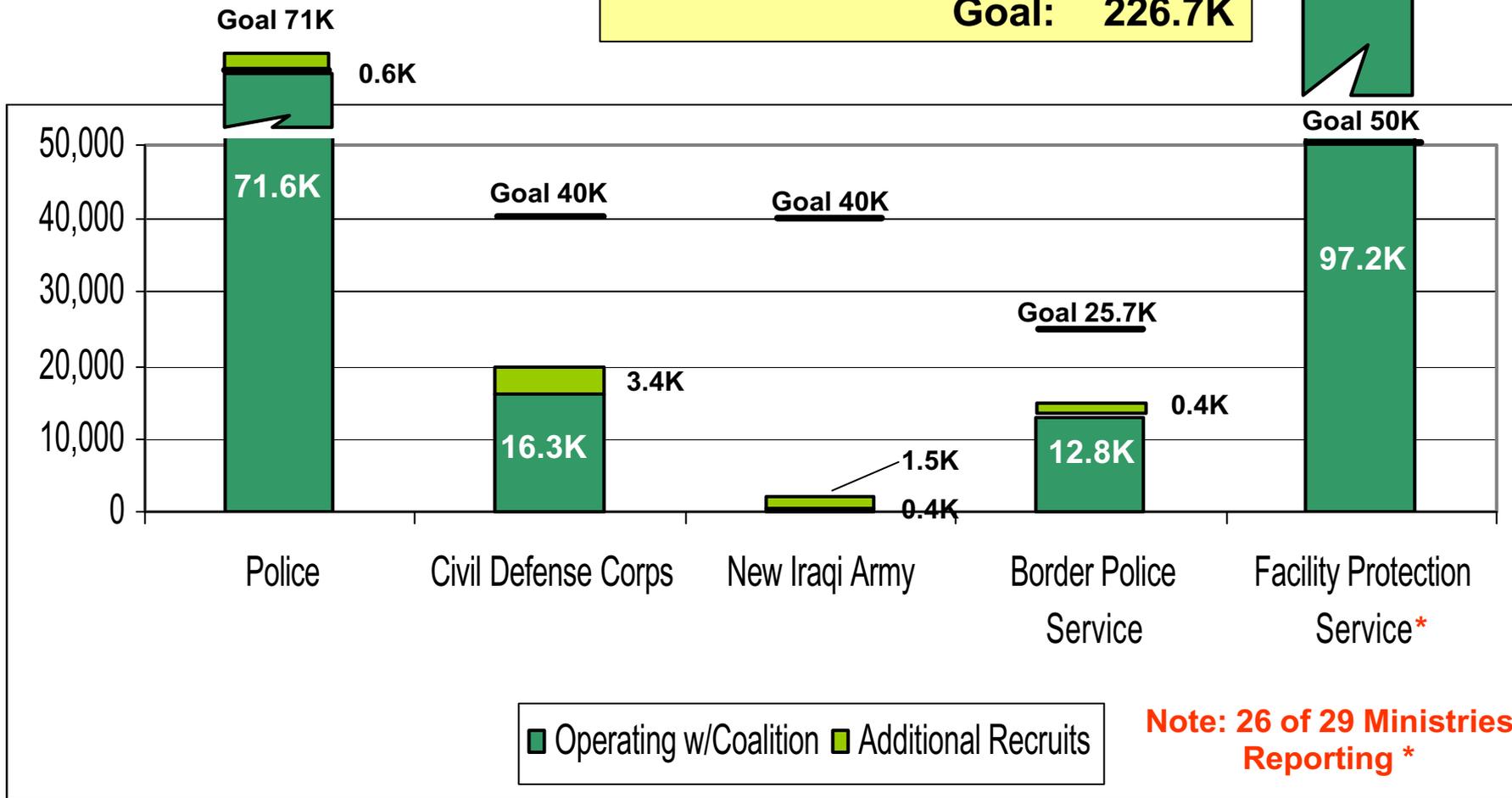
Security Forces (x1000)	7-Nov	14-Nov	20-Nov	27-Nov	4-Dec	11-Dec	18-Dec	25-Dec	1-Jan
Additional Iraqi Recruits *	6.9	6.5	5.4	2.8	4.5	4.7	4.8	5.4	5.9
Other Coalition	25	25	25.2	23.9	24.2	24.7	24.5	24.5	24
Iraqi Coalition Forces	131	134	145.5	147.2	159.9	161.6	161.6	165.3	198.3
US	128	127	126	123	123	123	122	122	122
Total	284	286	297	294	307	309	308	312	344

\* Iraqi Recruits not included in total due to their training status



# Security Forces

**Currently Operating: 198.3K**  
**Currently in Training: 5.9K**  
**Current Total: 204.2K**  
**Goal: 226.7K**



**Note: 26 of 29 Ministries Reporting \***

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# Stability Contributors

## Countries with forces in Iraq

**33**

**TOTAL ~24,000**

Albania  
 Australia  
 Azerbaijan  
 Bulgaria  
 Czech Rep  
 Denmark  
 Dom Rep  
 El Salvador  
 Estonia  
 Georgia  
 Honduras  
 Hungary  
 Italy  
 Kazakhstan  
 Korea  
 Latvia

Lithuania  
 Macedonia  
 Moldova  
 Mongolia  
 Netherlands  
 New Zealand  
 Nicaragua  
 Norway  
 Philippines  
 Poland  
 Portugal  
 Romania  
 Slovakia  
 Spain  
 Thailand  
 Ukraine  
 UK

## Countries considering decision to provide forces for Iraq

**11**

**TOTAL TBD**

**44 Countries**  
**Potentially Supporting**  
**Iraqi**  
**Stability and**  
**Humanitarian Relief**

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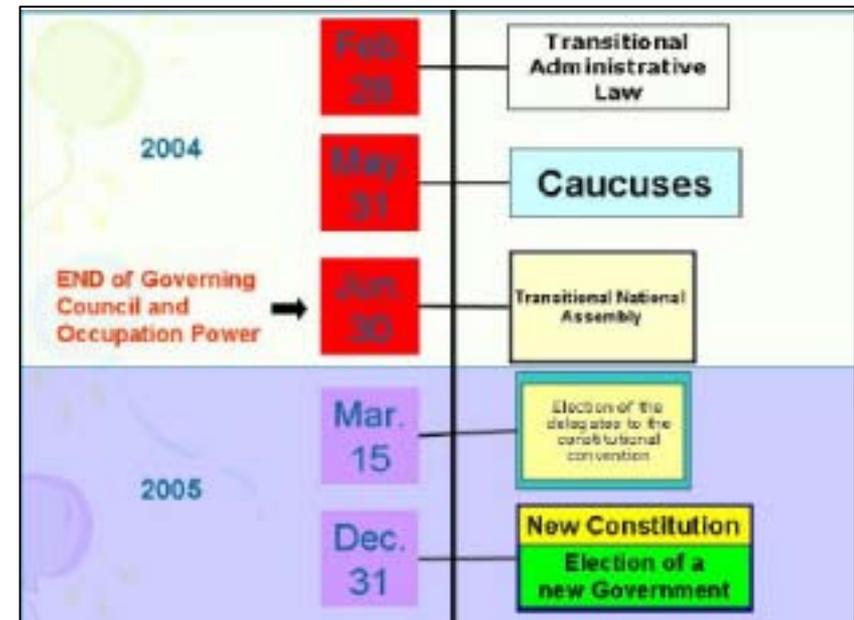
# Governance – Democracy Building

- **15 Nov Agreement calls for three nation-wide elections by end of 2005, including:**
  - Election of a constitutional convention
  - Referendum on the constitution
  - National elections to form a new Iraqi government
- **Success requires accelerated effort to develop institutions and build Iraqi capacity**
- **Some of the accomplishments expected by July 1, 2004:**
  - Transitional Administrative Law leading to formation of a transitional national assembly and process for direct elections to Constitutional Convention in 2005
  - Development of Governing Council and Transitional National Assembly launched
  - Programs underway promoting democratic political parties through technical assistance, training of party staff, outreach and media capacity building
  - Provincial and local government assume responsibility for decision-making, service delivery and revenue collection
  - Central government gains capacity for communication and coordination with local / regional government structures during the decentralization process
  - Iraqi Office of Public Integrity launched
  - Independent election commission established, international experts recruit and train Iraqi staff and procedures for nation-wide voter registration are developed

# Governance – National Transition

## • MILESTONES

- 15 Nov: New agreement between CPA and GC on transition process
- 10 Dec: Tribunal established for crimes against humanity
- 28 Feb 04: Drafting and approval of “Transitional Administrative Law” complete
- 31 Mar 04: Bilateral security agreements complete
- 31 May 04: Selections to Transitional National Assembly complete
- 01 Jul 04: Transitional Assembly will select executive and assume full sovereign powers for governing Iraq; CPA and GC dissolve
- 15 Mar 05: Complete elections to constitutional convention
- 31 Dec 05: Complete constitutional ratification and national elections
  - New government assumes power



*Part of civic education campaign on Iraq's transition to democracy*

# Governance – International Recognition



## United Nations

- GC granted seats (Sep 03)
- Minister addressed UNHCR Executive Committee (Sep 03)
- GC president addressed General Assembly (Oct 03)
- UNSC invited GC to create timetable for new constitution (Oct 03)

## International Diplomacy

- Transportation talks with Jordan and Syria (Oct 03)
- Turkey's liaison office in Baghdad recognized as embassy (Oct 03)
- Rend Rahim appointed Ambassador to US (Nov 03)
- Syria offers to improve security (Dec 03)

## International Organizations

- Arab League: GC granted seats (Sep 03)
- Organization of Petroleum Exporting Countries: meetings attended; Minister of Oil recognized as head of Iraq's delegation (Sep 03)
- Organization of the Islamic Conference: Meeting attended by GC representatives (Oct 03)
- World Bank / International Monetary Fund: GC, Ministers and bank reps have discussed Iraq's future economic goals and needs (Dec 03)

GC: Governing Council

UNSC: United Nations Security Council

UNHCR: United Nations High Commission for Refugees



## Justice – Courts

- **Central Criminal Court of Iraq (CCCI)**
  - **Two cases involving RPG attacks against US forces referred to CCCI for investigation on 19 and 24 December**
    - **First case (Jul 15 attack) 4 of 5 attackers were killed, one surrendered; second case (Jul 3 attack) 7 of 8 attackers were killed, one surrendered. No US injuries from attacks. Both survivors are defendants in the referred CCCI cases**
  - **Two suspects in a pending CCCI case involving possession of a large weapons cache, including IED-related materials, and possible attacks on the Coalition were inadvertently released from Abu Ghraib. Efforts to recapture them are ongoing**
- **Most critical needs in the Justice sector are prisons, security, courthouse reconstruction or new construction, and technical assistance in various fields**



# Judicial Summary

Venue	Cases Referred	Cases Tried	Cases Convicted
Central Criminal Court of Iraq	16	3	3
Iraqi Special Tribunal			

**New Referrals: 2**

**New Convictions: None**

## CCCI

- Investigative Judge dismissed one of the Al Jazeera journalist cases for lack of sufficient evidence
- Three Investigative Judges spent most of last week investigating a case in Mosul involving the murder of the Vice Chief Judge on 04 Nov
- Two suspects to a pending case involving offenses against the coalition were inadvertently released from Abu Ghraib. CID is looking to recapture them
- Two cases referred involved ambushes where the suspects used RPGs against Coalition Forces (3<sup>rd</sup> ACR)

# Economics - Financial Market Structures



- **01 Dec: A check clearing agreement between state-owned banks and private banks went into effect**
  - **Previously, state-owned banks did not honor checks drawn on other banks**
- **04 Dec: Trade Bank of Iraq (TBI) officially became fully operational by asking the multi-international banking consortium led by JP Morgan Chase to issue letters of credit**
  - **TBI has received around 23 applications totaling \$23 million from the Health Ministry and two applications from Ministry of Electricity for \$52 million**
  - **In addition, TBI has issued letters of credit to secure payments of approximately \$50 million of imported wheat**
- **Central Bank Law is being reviewed and finalized by the Economic Committee of the Iraqi Governing Council**

# Economics – Currency & Banking



- A modern, competitive and open banking industry did not exist in Saddam's regime
- Near-term effort designed to ensure that Iraqi banks and firms are able to function in an economically logical manner both during reconstruction work and afterwards
- Currency exchange is proceeding well
  - New Iraqi Dinar (NID) appreciated by 14% since Nov 03, settling at \$1 = NID 1,675
  - Approximately 3.7 trillion new dinars have been exchanged
    - About 85% of 4.36 trillion dinars expected to be converted, with a little less than a month to go
  - 5 trillion (88%) NIDs have been delivered to Iraq
  - 2,857 tons of old currency—32% of the 9,000 tons that exist--have been destroyed

## Banking Sector Metrics

- Proportion of Iraqi bank branches whose bankers have been certified by our programs by March 2005
- Number of Iraqi firms that bid on reconstruction subcontracts, and the number that win, as a proportion of all bidders
- Change in number of commercial loans issued by Iraqi banks in 2004 versus 2003
- Number of jobs created by non-State Owned Enterprises in 2004

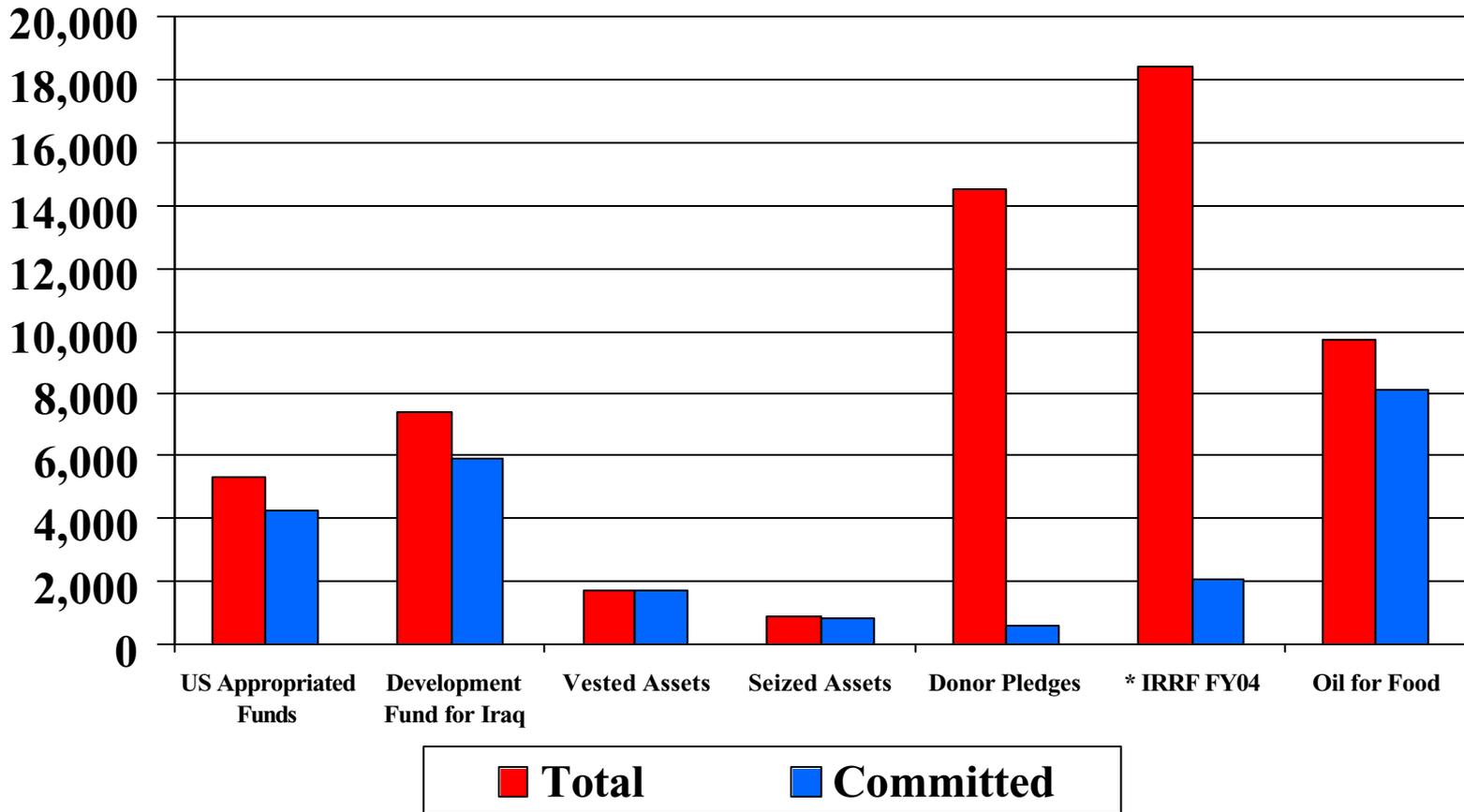
## Economics – Other Developments

- **More than 75,000 people are now employed through the National Employment Program's job generation project, and total spending on the project has surpassed 10 billion new Iraqi dinars**
- **The IFC Board met Dec 18 to discuss approval of the Small Business Facility (SBF)**
  - **The SBF received approval, with US and Spain indicating firm contributions of \$10 million and \$5 million respectively**
  - **Other countries such as Japan, Denmark and France have also expressed interest in investing in the facility**
- **21 Nov: CPA assumed full control of the Oil For Food Program; transition went smoothly**
- **CPA will continue prioritization process for approved and funded contracts**
  - **CPA will determine basis of needs with Iraqi authorities**



# Iraq Funds Status (\$ Millions)

**Total Available: \$58,036**  
**Total Committed: \$23,573**



\* Iraqi Relief and Reconstruction Fund

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N/P



# Strategic Communication

- **Al-Iraqiyah (formerly Iraqi Media Network)**
  - Award of \$100M contract to run national Iraqi newspaper and television delayed until after Jan 04
  - Delay related to accelerated timetable for transferring political power, and legal issues
- **New Information Operation (IO) campaign will remind Iraqi citizens they are required to exchange old money by Jan 15 and that deadline will not be extended**
  - Additional IO campaign element targeted primarily in Kurdish area will clarify exchange policy on exchange of the Swiss 25 dinar note
- **CPA Administrator expected to sign executive order about 15 Jan 04 to create independent regulatory agency for telecommunications and broadcast media**